

Community-based entrepreneurship and rural development. By Matthias Fink, Stephan Loidl and Richard Lang. Routledge, Abingdon, 2013. ISBN: 978-0-415-61487-0 (hbk); 978-1-138-79223-4 (pbk)

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The result of a major survey of SMEs across five nations of central Europe, this volume provides a valuable reference point for anyone researching entrepreneurship or local development in this region. The authors take the municipality as the primary unit of analysis, seeking to understand how institutional organisation and local conditions impact upon the performance of SMEs in rural regions. Beginning with a large scale survey in Austria, analysis moves on to compare findings here with data drawn from post-communist states. This approach helps to identify the distinct challenges that perpetuate following their transitions to market economies.

The volume follows a long tradition of studying small businesses in a regional context. Here that context is one of a history of political changes and evolving governance approaches and the researchers tackle the pertinent question of how best to support rural municipalities and small businesses in ways that will create stronger and more entrepreneurial economies within the region.

The title may lead the reader to expect that the focus of the study would be on community or social enterprises but the use of the term "community" here appears to relate more to entrepreneurs being engaged in policy or wider business networks, not a specific reference to SMEs with a community or social mission. I would also argue that the focus on "rural" development could be strengthened as the main spatial consideration appears to be areas that lie outside of the capital city territories resulting in diverse impacts from nearby urban centres. A clearer distinction that emerged in the text was that capital city territories tended to be the attractors of foreign investment through the post-socialist economic transition period whilst the remainder of these nations could be described as peripheral, albeit not necessarily rural.

Once aware of these issues, however, the density of the data generated is impressive and requires detailed reading in order to interpret the material presented. One of the continuing themes from the data is that the challenges for developing enterprising municipalities and engaging entrepreneurs to work more co-operatively are not unique to this region but they certainly appear more acute. Combining responses from SME surveys and insights from expert interviews in Austria, the authors were able to elicit 31 measures that could be transferable between municipalities to improve their entrepreneurial capacity. Many of these indicate the potential benefits that can be derived from local populations, business and municipalities working more closely together, facilitated by the creation of spaces or events where this can happen. The logic follows that this not only strengthens internal cohesion but creates a stronger socio-economic context from which to engage positively with external forces of change.

From these 31 suggested measures, twelve were identified as the most appropriate for testing across other regions and the qualitative responses to these are set out in chapter 4. Setting these out in distinct sections for each of the ten Eastern European municipalities covered by the research limits the comparative

analysis given the large number of variables (10 municipalities x 12 measures). However, it is clear that the issues of cohesion, democratic decision making, support for new business and better communications all presented opportunities for these municipalities to enhance local economic development.

The wealth of material in this 222 page volume generates 17 theses that are offered within the concluding chapter. In order to identify distinctions between municipalities and regions as well as identifying opportunities for transferable initiatives, some more focused results will hopefully be presented in separate journal articles too. One aspect that stood out from the conclusions was the issue of these more peripheral regions losing their younger populations. The authors note that this is not simply a factor of today's youth being disengaged from the places in which they grow up - aspiring to a future in a more dynamic region, but it is also a factor of their parents not participating in local community life. Taking this forward, there are clearly major concerns for the future of rural communities if the dominant groups are incomers and young people are looking outwardly for their social and economic futures.

Other findings indicated that pollution was not high on the agenda while planning and issues over land ownership were not consistently well structured across the municipalities. With such institutional and developmental constraints, more general support for businesses to improve cooperation and innovation capabilities, without pre-defined eligibility criteria was needed. This could be more effective than complex, targeted strategies at allowing the strengths of local economic systems with their own resource characteristics to provide the foundation for a development trajectory suited to these rural regions.

Other rural regions of Europe have had successes in developing tourism and niche products with local identities but the surveyed areas in post-socialist nations are disadvantaged by a lack of outside knowledge and local purchasing power. It is perhaps not surprising that attempts to focus on products with strong regional identities (following a Western European of “value adding” through *terroir* and selling products to increasingly affluent rural consumers) were not viewed as such a “panacea” in newer member states of Central Europe.

It is recognised that external actors play critical roles in the development of regional economies, whether private sector investors or European Union or national funds. It is argued that this requires local areas to work together more closely to learn how best to access and benefit from such investments. This collective approach could offer resilience to regions that might otherwise fear the power of the investors in local decision-making but can also encourage stronger local supply chains based around new enterprises. For this to become reality, however, the research provides the very clear finding that businesses, communities and local policy-makers need to overcome the legacies of the past and work more closely together towards shared goals.

As for the community-based aspects of entrepreneurship in rural municipalities of central Europe one of the clearest findings is that community activities and business activities function within separate spheres of life. Furthermore, evidence suggests that municipalities struggle to provide support to local SMEs as finding a balance between liberal market approaches and public intervention is challenging. The state has been more successful at delivering larger scale infrastructure projects but less good at providing the local linkages. Together with the example of locally branded products, this raises the question about the direct transferability of western models of rural development in this region. The Western European model, where rural discourses are influenced by the rural idyll, counterurbanisation and consumerism, has created policy approaches such as LEADER where local communities are expected to play a key role in promoting development from within. However, we might question whether these are pushing some Central European regions to adopt approaches that are paradoxically less well suited to their localities, at least in the short to medium term.